

**NOTICE OF SPECIAL SESSION OF THE
EAGLE MOUNTAIN COMMUNITY
FACILITIES DISTRICT BOARD**

WHEN: THURSDAY, JUNE 18, 2015
TIME: 6:25 P.M.
WHERE: TOWN OF FOUNTAIN HILLS - COUNCIL CHAMBERS
16705 EAST AVENUE OF THE FOUNTAINS, FOUNTAIN HILLS, AZ

Pursuant to A.R.S. §38-431.02, notice is hereby given to the Directors of the District Board of the Eagle Mountain Community Facilities District and to the general public that the District Board of the Eagle Mountain Community Facilities District will hold a Special Session open to the public, which will begin immediately prior to the June 18, 2015, Cottonwoods Maintenance District Board Special Session and Fountain Hills Town Council Regular Session.

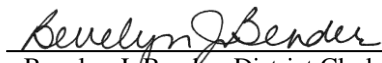
Members of the Eagle Mountain Community Facilities District Board will attend either in person or by telephone conference call; a quorum of the Town's various Commissions or Boards may be in attendance at the Board meeting.

"Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the District Board are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the District Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the District Board will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 have been waived."

AGENDA

- **CALL TO ORDER AND ROLL CALL.** – District Board Chair Linda M. Kavanagh **6:24 PM**
- **CALL TO THE PUBLIC.**
Pursuant to A.R.S. §38-431-01(G), public comment is permitted (not required) on matters not listed on the agenda. Any such comment (i) must be within the jurisdiction of the Directors is subject to reasonable time, place and manner restrictions. The Directors will not discuss or take legal action on matters raised during "Call to the Public" unless the matters are properly noticed for discussion and legal action. At the conclusion of the "Call to the Public", individual Directors may (i) respond to criticism, (ii) ask staff to review a matter or (iii) ask that the matter be placed on a future agenda.
- 1. **CONSIDERATION** of approving the Eagle Mountain Community Facilities District Board MEETING MINUTES of June 4, 2015. **APPROVED**
- 2. **CONSIDERATION** of RESOLUTION EMCFD 2015-05, approving adoption of issuance and post-issuance compliance procedures relating to tax-exempt bonds for the Eagle Mountain Community Facilities District. **APPROVED**
- 3. **CONSIDERATION** of RESOLUTION EMCFD 2015-03, levying upon the assessed valuation of the property within the District subject to ad valorem taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amounts estimated to be required in the annual budget, specifically for the purpose of paying principal and interest upon bonded indebtedness; all for Fiscal Year ending on June 30, 2016. **APPROVED**
- 4. **ADJOURNMENT. 6:28 PM**

DATED this 11th day of June, 2015.


Bevelyn J. Bender, District Clerk

The Eagle Mountain Community Facilities District, in cooperation with the Town of Fountain Hills endeavors to make all public meetings accessible to persons with disabilities. Please call 480-816-5100 voice or 1-800-367-8939 (TDD) 48 hours prior to the meeting to request a reasonable accommodation to participate in this meeting. Supporting documentation and staff reports furnished with this agenda are available for review in the Clerk's office and on the Town's website [www.fh.az.gov].

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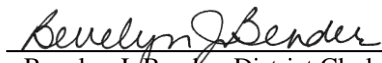
AGENDA

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- **CALL TO THE PUBLIC.**

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1. **CONSIDERATION** of approving the Eagle Mountain Community Facilities District Board MEETING MINUTES of June 4, 2015.
2. **CONSIDERATION** of RESOLUTION EMCFD 2015-05, approving adoption of issuance and post-issuance compliance procedures relating to tax-exempt bonds for the Eagle Mountain Community Facilities District.
3. **CONSIDERATION** of RESOLUTION EMCFD 2015-03, levying upon the assessed valuation of the property within the District subject to ad valorem taxation a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amounts estimated to be required in the annual budget, specifically for the purpose of paying principal and interest upon bonded indebtedness; all for Fiscal Year ending on June 30, 2016.
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**Eagle Mountain Community Facilities District
(EMCFD)**

AGENDA ACTION FORM

Meeting Date: 6/18/2015

Meeting Type: Special Session

Agenda Type: Regular

Submitting Department:
Administration

Staff Contact Information: Bevelyn J Bender, 480-816-5115, bbender@fh.az.gov

Strategic Priority: Not applicable

Council Goal: Not applicable

REQUEST TO COUNCIL: CONSIDERATION of approving the Eagle Mountain Community Facilities District Board meeting MINUTES from June 4, 2015.

Applicant: NA

Applicant Contact Information: NA

Property Location: NA

Related Ordinance, Policy or Guiding Principle: A.R.S. §38-431.01

Staff Summary (background): The intent of approving previous meeting minutes is to ensure an accurate account of the discussion and action that took place at that meeting for archival purposes. Approved minutes are placed on the Town's website in compliance with state law.

Risk Analysis (options or alternatives with implications): NA

Fiscal Impact (initial and ongoing costs; budget status): NA

Budget Reference (page number): NA

Recommendation(s) by Board(s) or Commission(s): NA

Staff Recommendation(s): Approve

Attachment(s): None

SUGGESTED MOTION: Move to approve the June 4, 2015 meeting minutes.

Submitted and Approved by:

Approved:

Bevelyn J. Bender

Bevelyn J. Bender, District Clerk

6/8/2015

Ken Buchanan

Ken Buchanan, District Manager

6/9/2015



TOWN OF FOUNTAIN HILLS
Eagle Mountain Community Facilities District

AGENDA ACTION FORM

Meeting Date: 6/18/2015

Meeting Type: Regular Session

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: Craig Rudolphy, District Finance Director, 480-816-5162, crudolphy@fh.az.gov

REQUEST TO DISTRICT BOARD (Agenda Language): CONSIDERATION of RESOLUTION 2015-05 approving adoption of issuance and post issuance compliance procedures relating to tax-exempt bonds for the Eagle Mountain Community Facilities District.

Applicant:

Applicant Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): The District has issued tax exempt bonds. Federal tax law encourages the District to develop issuance and post-issuance compliance procedures related to the bonds. These written procedures ensure the District's compliance with the conditions, restrictions, and requirements to preserve the tax-exempt status of the bonds and preserve the federal subsidy associated with the conditions to offset the interest expense on the bonds.

Risk Analysis (options or alternatives with implications): Failure to comply with the compliance procedures may cause the District to be liable to the bondholders, subject to enforcement action by the IRS and the Securities and Exchange Commission (SEC), and subject to a loss of the direct federal subsidy. The procedures identify the District Finance Director as the person with the overall compliance responsibility for the bonds.

Fiscal Impact (initial and ongoing costs; budget status):

Budget Reference (page number): N/A

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: Y ☐ N ☐

Staff Recommendation(s): Approve

List Attachment(s): Resolution EMCFD 2015-05

SUGGESTED MOTION (for District Board use): Move to approve RESOLUTION EMCFD 2015-05 adopting issuance and post issuance compliance procedures.

Prepared by:

NA 6/9/2015

Director's Approval:


Craig Rudolph, District Finance Director 6/9/2015

Approved:


Ken Buchanan, District Manager 6/9/2015

RESOLUTION EMCFD 2015-05

A RESOLUTION OF THE GOVERNING BOARD OF EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT ADOPTING ISSUANCE AND POST-ISSUANCE COMPLIANCE PROCEDURES RELATING TO TAX-EXEMPT BONDS FOR THE EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Eagle Mountain Community Facilities District (the “District”) has issued tax-exempt bonds (the “Bonds”); and

WHEREAS, federal tax law encourages the District to develop issuance and post-issuance compliance procedures related to the Bonds; and

WHEREAS, the District desires to adopt written issuance and post-issuance compliance procedures related to the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT, AS FOLLOWS:

Section 1. The Governing Board of the Eagle Mountain Community Facilities District hereby adopts the Issuance and Post-Issuance Compliance Procedures Relating to Tax-Exempt Bonds for the Eagle Mountain Community Facilities District in substantially the form attached hereto as Exhibit A.

PASSED, ADOPTED AND APPROVED by the Governing Board of the Eagle Mountain Community Facilities District, this 18th day of June, 2015.

District Chair

ATTEST:

District Clerk

APPROVED AS TO FORM:

District Attorney

EXHIBIT A

ISSUANCE AND POST-ISSUANCE COMPLIANCE PROCEDURES RELATING TO TAX-EXEMPT BONDS FOR THE EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT

Date of Implementation: June 18, 2015

I. INTRODUCTION

Many conditions, restrictions and requirements must be complied with to permit and preserve the tax-exempt treatment of bonds and other financings by the Eagle Mountain Community Facilities District (the “District”). Prior to issuance, the District and its bond counsel will review the facts and the reasonable expectations to determine if the issue will comply with these conditions, restrictions and requirements at the time of issuance. There are certain actions the District must perform after issuance to preserve the favorable tax treatment and certain actions of the District after issuance can adversely affect the tax treatment. In addition, the District must maintain proper records to demonstrate compliance. Because tax benefits may be critical to the investors’ decision to purchase the bonds or other obligations, the District covenants to the bond purchasers to comply with all of the conditions, restrictions and requirements throughout the life of the bonds.

To ensure compliance, the District identifies a single person with overall compliance responsibility. The District Treasurer (the Town of Fountain Hills, Arizona Finance Director), or his or her designee, will be the responsible person and is referred to in these procedures as the “Bond Compliance Official.” Anyone with any questions about the bonds, the proceeds of the bonds, the facilities financed with the bonds or compliance with the conditions, restrictions and requirements should discuss them with the Bond Compliance Official who shall, as necessary, discuss them with bond counsel. The Bond Compliance Official shall meet with bond counsel to discuss these requirements and from time to time any changes in these requirements. In the event the District fails to comply with these procedures, the Bond Compliance Official shall meet with bond counsel as soon as practicable after the discovery of the failure to comply in order to discuss the steps required to correct the noncompliance.

1. INVESTMENT OF PROCEEDS UNTIL EXPENDED.

Detailed records of investments and earnings will be made and kept by the District with respect to all bond and investment proceeds.

Generally, proceeds of bonds cannot be invested at a yield higher than the bond yield unless during certain specific temporary periods. Therefore, prior to closing, the Bond Compliance Official will determine with bond counsel which funds do or do not qualify for a temporary period. Qualifying information will be set out in a tax certificate. No proceeds will be invested at a yield higher than the bond yield unless they qualify. If the actual facts regarding the use of proceeds change from what was reasonably expected at closing, the Bond Compliance Official will discuss those changes with bond counsel to see if the temporary periods are changed.

Bond proceeds include the amount received from the sale of the bonds, amounts held in a payment or reserve fund for the bonds *and investment earnings on those amounts*.

The proceeds will not be invested in any investment where a yield cannot be determined.

Any investment in a guaranteed investment contract or similar investment agreement will be made only in compliance with the bidding requirements as reviewed by bond counsel.

Bond proceeds from each issue will be invested so that they can be tracked separately from any other funds or other bond issues of the District. The District will work with the registrar, trustee or other applicable person or entity to be sure that invested earnings are properly allocated between bond proceeds and other funds.

2. USE OF PROCEEDS.

Detailed records will be made and kept by the District with regard to the use of bond proceeds and shall be kept for each separate bond sale or other tax-exempt financing. For each expenditure, the amount, date of and purpose must be recorded. If the project is also funded with non-bond proceeds, the records will reflect an allocation of expenditures between bond proceeds and other funds. No proceeds will be used to reimburse an expenditure made prior to the issue date of the bonds unless the reimbursement requirement, including the prior declaration of intent to reimburse, has been fully complied with and evidence of such compliance is maintained. The District's Board by taking action, or the District Treasurer, or his or her designee, is authorized to complete the declaration of intent to reimburse.

Under federal tax law, the District is expected to exercise diligence (A) to expend the proceeds, (B) to enter into within six months of the issue date a binding contract to expend at least 10% of the proceeds and (C) to have expended at least 85% of the proceeds and investment income on the proceeds within three years. After the third anniversary of the issue, any remaining proceeds in the construction account must be yield restricted.

The Bond Compliance Official shall periodically review the progress of the projects and the expenditure of proceeds to ensure timely expenditure of proceeds.

3. USE OF BOND FINANCED FACILITIES.

Detailed records of the use of proceeds will identify those facilities that are financed in whole or in part with bond proceeds and must reflect the allocation of bond proceeds and other funds used. Any sale or lease to, or other agreement for use by, a private party in a trade or business can adversely affect the tax status of the bonds. The District will not sell or lease any bond financed property or enter into any agreement with non-governmental entities for use or management of any bond financed property without a thorough review by the Bond Compliance Official and bond counsel. Although not a comprehensive list, the Bond Compliance Official will review the following types of transactions with bond counsel prior to entering into any agreement with non-governmental entities (including non-profit entities) or persons: (a) the sale or lease of any bond financed property, including to non-profit entities and 501(c)(3) entities, (b) any management contracts with a food service provider, (c) any research agreements and (d) public-private partnerships. The Bond Compliance Official shall periodically review the use of all bond financed facilities to ensure compliance with the private use restrictions. In the event the District takes action that causes the bonds to meet the private business tests or private loan financing test, the Bond Compliance Official shall meet with bond counsel as soon as practicable after the issue is discovered to discuss the steps required to correct the noncompliance, including, if necessary, redeeming or defeasing all of the bonds that meet the private business tests or private loan financing test.

4. ARBITRAGE REBATE.

Any time that bond proceeds are permitted to be invested at a yield higher than the bond yield, the amount earned over the bond yield is arbitrage. With certain exceptions, the District is obligated to pay over (rebate) to the United States any arbitrage earned. The District will keep

complete and accurate records of all investments of bond proceeds and all information supporting any applicable exceptions to the rebate requirement and will retain or ensure that the registrar or trustee has retained a professional rebate consultant to review the records and prepare a report so that the District or the registrar or trustee can make any necessary rebate payments. Unless exempt, the District must, at a minimum, make payments at every fifth anniversary of the issue and upon final payment of a series of bonds. The Bond Compliance Official will review any exemption prior to each fifth anniversary and upon final payment to determine if any facts have changed which might eliminate the exemption.

5. RECORD RETENTION.

All records concerning the bond issue, including

- a) the transcript of the original proceedings,
- b) investment of proceeds,
- c) use and allocation of proceeds, including the declaration of intent to reimburse,
- d) non-governmental use of bond financed property,
- e) payment of principal and interest on the bonds,
- f) the interest rate or rates on the bonds from time to time, if variable,
- g) compliance with reimbursement and tax return filing requirements,
- h) refunding of all or part of the bonds, including proof of payment of principal and interest on refunding and refunded bonds, either at maturity or prior redemption, and
- i) payment of arbitrage rebate or information supporting any exemption to rebate, and

shall be kept for the life of the bonds plus three years and, if the bonds are refunded, for the life of all of the refunding bonds plus three years or for the time specified for the retention of such records under Arizona law, whichever is longer.



TOWN OF FOUNTAIN HILLS
Eagle Mountain Community Facilities District

AGENDA ACTION FORM

Meeting Date: 6/18/2015

Meeting Type: Special Session

Agenda Type: Regular

Submitting Department: Administration

Staff Contact Information: Craig Rudolphy, District Finance Director, 480-816-5162, crudolphy@fh.az.gov

REQUEST TO DISTRICT BOARD (Agenda Language): CONSIDERATION of RESOLUTION EMCFD 2015-03, levying upon the assessed valuation of the property within the District subject to ad valorem taxation, a certain sum upon each one hundred dollars (\$100.00) of valuation sufficient to raise the amount estimated to be required in the annual budget, specifically for the purpose of paying principal and interest upon bonded indebtedness; all for Fiscal Year beginning July 1, 2015, and ending June 30, 2016.

Applicant:

Applicant Contact Information:

Property Location:

Related Ordinance, Policy or Guiding Principle:

Staff Summary (background): The Eagle Mountain Community Facilities District (CFD) issued bonds in 1996 to repay the costs associated with infrastructure improvements and are repaid annually from ad valorem taxes collected from the residents of the community. The 2015 assessed value for Eagle Mountain CFD is estimated to be \$26,489,718 and the FY 2015-16 budget is \$416,686; therefore, a tax levy of approximately \$1.6033 will provide sufficient revenue for the annual debt payment and administrative costs. The bonds will be retired in FY 2020-21.

Risk Analysis (options or alternatives with implications):

Fiscal Impact (initial and ongoing costs; budget status): \$416,686

Budget Reference (page number): 285

Funding Source: NA

If Multiple Funds utilized, list here:

Budgeted; if No, attach Budget Adjustment Form: Y ☒ N ☐

Staff Recommendation(s): Approve

List Attachment(s): Resolution EMCFD 2015-03

SUGGESTED MOTION (for District Board use): Move to approve Resolution EMCFD 2015-03.

Prepared by:

NA 6/9/2015

Director's Approval:


Craig Rudolph, District Finance Director 6/9/2015

Approved:


Ken Buchanan, District Manager 6/9/2015

RESOLUTION EMCFD 2015-03

A RESOLUTION OF THE BOARD OF THE EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE DISTRICT SUBJECT TO AD VALOREM TAXATION A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNTS ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, SPECIFICALLY FOR THE PURPOSE OF PAYING PRINCIPAL AND INTEREST UPON BONDED INDEBTEDNESS; ALL FOR FISCAL YEAR BEGINNING JULY 1, 2015 AND ENDING ON JUNE 30, 2016.

WHEREAS, in accordance with ARIZ. REV. STAT. § 48-716 and following published notice, public hearings were conducted on May 7, 2015 and June 4, 2015, at which hearings any taxpayer was permitted to appear and be heard regarding the 2015-16 annual budget for the Eagle Mountain Community Facilities District (the "District"); thereafter, the District Board adopted Resolution EMCFD 2015-02, approving the annual budget; and

WHEREAS, in accordance with ARIZ. REV. STAT. § 48-723, the District Board desires to levy such amounts as necessary for the 2015-16 annual District budget.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE EAGLE MOUNTAIN COMMUNITY FACILITIES DISTRICT, as follows:

SECTION 1. The recitals above are hereby incorporated as if fully set forth herein.

SECTION 2. There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all taxable property, both real and personal, within the corporate limits of the District and not exempt from taxation, an ad valorem property tax rate of \$1.5853, or such other rate as determined by the Maricopa County Treasurer, to be sufficient to raise the aggregate amount of \$416,686, for the purpose of paying principal and interest on bonded indebtedness for the District for the fiscal year ending June 30, 2016.

SECTION 3. Failure by the officials of Maricopa County, Arizona, to properly return the delinquent list, any irregularity in the assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax or foreclosure deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them, shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment and levy of taxes or of the judgment or sale by which the collection of the same may be enforced or in any manner affect the lien of the District upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for collecting of taxes or the foreclosure, and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 4. All resolutions and parts of resolutions in conflict with this Resolution are hereby repealed.

SECTION 5. The District Clerk is hereby directed to transmit a certified copy of this Resolution to the Board of Supervisors of Maricopa County, Arizona and to the Arizona Department of Revenue.

SECTION 6. If any provision of this Resolution is for any reason held by any court of competent jurisdiction to be unenforceable, such provision of portion hereof shall be deemed separate, distinct and independent of all other provisions and such holding shall not affect the validity of the remaining portions of this Resolution.

SECTION 7. The District Chairperson, the District Clerk and the District Counsel are hereby authorized and directed to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED by the Board of the Eagle Mountain Community Facilities District, Maricopa County, Arizona, on June 18, 2015.

Linda M. Kavanagh, District Chairperson

ATTEST:

Bevelyn J. Bender, District Clerk

APPROVED AS TO FORM:

Andrew J. McGuire, District Counsel